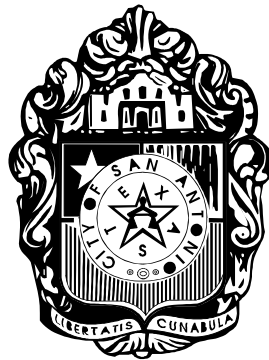


**CITY OF SAN ANTONIO, TEXAS**  
**Neighborhood Action Department**



**Highland Heights**  
**Tax Increment Reinvestment Zone Four**  
**FY 2005 Annual Report**

Participation Levels of City (100%), Bexar County (100% of Operation and Maintenance portion of tax rate), University Health System (100%), San Antonio ISD (100%), East Central ISD (100%) and Alamo Community College District (100%)

**December 31, 2005**

# **Highland Heights Development Tax Increment Reinvestment Zone – Plan of Finance**

## **Introduction**

The Highland Heights Development is located in the southeastern section of the City of San Antonio (“City”), within the general area between S. E. Military Drive and Woodstock, and between the west bank of the Salado Creek and Bardwell Drive, Alsbrook, and Woodstock. The development is in the San Antonio and East Central Independent School Districts and encompasses 140.2 acres. The 1998 base value is \$449,000 and the projected captured tax incremental value is \$23,811,000. The project includes the construction of 253 single-family homes with an average sale price of \$89,000. Construction will be carried out in three phases. The total public improvement infrastructure capital cost is estimated at \$3,811,002. The Developer and builder are El Arco Inc., and Global Village Builders Inc. respectively, who have substantial experience in the development and construction of such projects. The life of the Tax Increment Reinvestment Zone (“TIRZ”) is projected to be 18.09 years with the TIRZ being in existence through fiscal year 2017.

## **Public Infrastructure**

The public infrastructure improvements and related capital costs include streets, drainage, utilities, platting fees, architect and engineering, sidewalks, landscaping and rights-of-way, park improvements. The capital cost is estimated at \$3,811,002.

## **Plan of Finance**

The base value of the TIRZ is \$449,000. Projected captured values that would be taxed to produce revenues to pay for the capital costs of the public infrastructure improvements commences in tax year 1999 with collections commencing in tax year 1999 (fiscal year 2000). Captured values grow from \$147,930 in tax year 1999 to \$23,811,000 in tax year 2016.

The taxing jurisdictions and tax rate per \$100 valuation utilized in the analysis include: City of San Antonio at \$0.578540; Bexar County at \$0.287407; University Health System at \$0.243869; San Antonio Independent School District at \$1.500000; East Central Independent School District at \$1.500000; and the Alamo Community College District at \$0.107050. This produces annual revenues of \$4,025 in fiscal year 2000 to \$629,204 in fiscal years 2017. No growth in tax rate or values is assumed.

The cost of the public infrastructure improvements is incurred by the Developer and paid over time from revenues produced by the TIRZ. In addition to the capital costs, other costs to be paid from TIRZ revenues include the City of San Antonio and/or Administrator fees. Revenues derived from the TIRZ will be used to pay costs in the following order of priority of payment: (i.) first, to the payment of eligible costs incurred by the Governmental Entities Participating in the TIRZ; (ii.) to administrative fees pertaining to the City or its administrator; and (iii) to the Developer, on an annual basis, as TIRZ revenues are available for such payments.

The Developer’s capital cost incurred for public infrastructure improvements is \$3,811,002. Revenues from the TIRZ are used to pay this amount plus interest on the unpaid balance at an

interest rate of 4.54%. The annual payments were structured as debt service payments to the Developer. Developer payments were scheduled to begin fiscal year 2000. Any negative carry by the Developer would add additional interest to be paid to the Developer at an interest rate of 4.54%. The payout schedule is structured through the fiscal year 2017.

The TIRZ collections for this project shall not extend beyond September 30, 2017 and may be terminated earlier once each taxing entity has deposited its respective amount described in the table below.

<b>TABLE – TIRZ Contributions</b>		
<b>Participating Taxing Entities</b>	<b>Maximum Dollar Contribution</b>	<b>Max. Length of Contribution</b>
City of San Antonio	\$ 1,229,813	September 30, 2017
Bexar County	\$ 613,020	September 30, 2017
University Health System	\$ 518,996	September 30, 2017
San Antonio ISD	\$ 2,671,551	September 30, 2017
East Central ISD	\$ 498,862	September 30, 2017
Alamo Comm. College District	\$ 227,792	September 30, 2017
<b>Maximum Reimbursable Amt.</b>	<b>\$ 5,760,034</b>	

#### **Limited Obligation of the City or Participating Governmental Entities**

The City and Participating Governmental Entities shall have a limited obligation to impose, collect taxes, and deposit such tax receipts into a TIRZ fund so long as the project is viable and capital costs incurred by the Developer have not been fully paid. The TIRZ collections for this project shall not extend beyond September 30, 2017, and may be terminated prior to September 30, 2017, upon payment of public improvement capital costs incurred by the Developer totaling \$3,811,002, or for the failure of the Developer to perform, or for any other reason deemed appropriate by the City and the Participating Governmental Entities.

Any costs incurred by the Developer are not and shall never in any event become general obligations or debt of the City or any of the Participating Governmental Entities. The public improvement infrastructure costs incurred by the Developer shall be payable solely from the TIRZ revenues and shall never constitute a debt, indebtedness, or a pledge of the faith and credit or taxing power of the State, the City, the Participating Governmental Entities, any political corporation, subdivision, or agency of the State.

#### **Developer's Risk**

All financing, developmental costs, construction costs, improvements, damages, or other costs incurred with respect to this project are at the sole risk of the Developer. Neither the City nor any Participating Governmental Entity shall incur any risk whatsoever associated with the development, construction, completion or failure of the project. In the event the project fails, is abandoned by the Developer or for any reason is not completed, the City shall have the right to terminate the TIRZ and any funds remaining in the TIRZ account shall be distributed to the City and Participating Governmental Entities on a pro rata basis in accordance with each entities participation level.

**Compliance**

The Developer shall comply with all federal, state and local laws, rules and regulations including the 1998 TIF Guidelines.

**Reporting**

The Developer shall submit a project status report and financial report on a quarterly basis (January 15th, April 15th, July 15th and October 15th) to the City.

**Inspection**

The City, Participating Governmental Entities or Administrator shall have the right to inspect the project site or sites and the premises of the Developer without notice.

## City of San Antonio Project Review

### Highland Heights- TIF Reinvestment Zone

#### Summary Fact Sheet December 17, 1998

Agenda 1. Final Finance Plan

#### Plan of Finance

Site Area	140.20	Acres
Base Value (1998)	\$449,000	
Average Home Price	\$89,000	
Project:		
Phase 1	2006	50 Single Family Homes
Phase 2	2007	100 Single Family Homes
Phase 3	2008	103 Single Family Homes
		<u>253</u> Single Family Homes

Experience of Housing Developer The Developers of Highland Heights have over 20 years experience in residential development and home construction

Performance Bonds: See Development Agreement

Payment Bonds: See Development Agreement

Assumptions	Captured Value	\$ 23,811,000	
	Growth Factor	0.00%	
	Collection Rate	97.50%	
	Estimated Total TIF Revenues	\$ 5,760,034	
	Estimated TIF Life	18.09	Years
	(December 17, 1998 to September 30, 2017)		

## Highland Heights - TIF Reinvestment Zone

### Sources & Uses

#### Sources of Funds

TIF Revenues \$ 5,760,034

Developer Contribution

**Total TIF Proceed Funds** \$ 5,760,034

**Total Sources of Funds** \$ 5,760,034

#### Uses of Funds

	Phase I 2006	Phase II 2007	Phase III 2008	Total Infrastructure Improvements 253
Begin Construction Single Family Lots	50	100	103	253
Site Work	\$ 91,250	\$ 191,625	\$ 216,810	\$ 499,685
Storm Water Pollution Prevention	\$ 2,750	\$ 5,775	\$ 6,534	\$ 15,059
Streets	\$ 158,750	\$ 333,375	\$ 377,190	\$ 869,315
Drainage	\$ 16,250	\$ 34,125	\$ 38,610	\$ 88,985
Water	\$ 96,250	\$ 202,125	\$ 228,690	\$ 527,065
Sewer	\$ 96,000	\$ 201,600	\$ 228,096	\$ 525,696
Sewer Lift Station	\$ -	\$ 150,000	\$ -	\$ 150,000
CPS Electric	\$ 16,250	\$ 34,125	\$ 38,610	\$ 88,985
Street Lights/Signs	\$ 6,250	\$ 13,125	\$ 14,850	\$ 34,225
Platting Fees	\$ 3,725	\$ 7,450	\$ 8,046	\$ 19,221
Drainage Fees	\$ 34,020	\$ 68,040	\$ 59,940	\$ 162,000
Park Amenities	\$ -	\$ -	\$ 100,000	\$ 100,000
Park Fees	\$ 40,000	\$ -	\$ -	\$ 40,000
Right of Way Landscaping	\$ -	\$ 20,000	\$ -	\$ 20,000
<b>Hard Cost Total</b>	\$ 561,495	\$ 1,261,365	\$ 1,317,376	\$ 3,140,236
Engineering/Surveying Fees	\$ 53,300	\$ 106,600	\$ 115,128	\$ 275,028
Contingency	\$ 43,538	\$ 104,929	\$ 36,816	\$ 185,283
Construction Management	\$ 24,188	\$ 58,294	\$ 46,047	\$ 128,529
Geo Tech & Phase One	\$ 13,926	\$ 1,500	\$ 1,500	\$ 16,926
Formation Expense	\$ 65,000	\$ -	\$ -	\$ 65,000
<b>Soft Cost Total</b>	\$ 199,952	\$ 271,323	\$ 199,491	\$ 670,766
<b>Subtotal</b>	\$ 761,447	\$ 1,532,688	\$ 1,516,867	\$ 3,811,002
<b>Total Principal to Finance Infrastructure Cost</b>	\$ 3,811,002			
<b>Interest Cost @ 4.54%</b>	\$ 1,186,738			
<b>Total Payments to Highland Heights</b>	\$ 4,997,740			
<b>Total Administrative Expenses</b>	\$ 320,000			
<b>Grand Total</b>	\$ 5,317,740			
<b>Project Financing Surplus (Shortage)</b>	\$ 442,294			

## Highland Heights - TIF Reinvestment Zone

### Projected Tax Increment Revenue

Tax Year	Tax Increment Zone				City of San Antonio			Bexar County			University Health System		
	Beginning Assessed Value	Annual Value of New Development	Projected Year-End Assessed Value	Projected Captured Value	Captured Taxable Value	Tax Rate Contribution	Tax Increments	Captured Taxable Value	Tax Rate Contribution	Tax Increments	Captured Taxable Value	Tax Rate Contribution	Tax Increments
1998	449,000		449,000	-	-	0.579790	-	-	0.341910	-	-	0.243869	-
1999	449,000	147,930	596,930	147,930	147,930	0.579790	858	147,930	0.339458	490	147,930	0.243869	352
2000	596,930	550,770	1,147,700	698,700	698,700	0.579790	2,961	698,700	0.339458	2,312	698,700	0.243869	1,661
2001	1,147,700	280,900	1,428,600	979,600	979,600	0.578540	6,757	979,600	0.320756	3,064	979,600	0.243869	2,329
2002	1,428,600	1,500	1,430,100	981,100	981,100	0.578540	5,120	981,100	0.317571	3,038	981,100	0.243869	2,333
2003	1,430,100	27,850	1,457,950	1,008,950	1,001,450	0.578540	6,350	1,001,450	0.320952	3,134	1,001,450	0.243869	2,381
2004	1,457,950	-	1,457,950	1,008,950	1,001,450	0.578540	3,669	1,001,450	0.287407	2,806	1,001,450	0.243869	2,381
2005	1,457,950	285,050	1,743,000	1,294,000	1,294,000	0.578540	7,299	1,294,000	0.287407	3,626	1,294,000	0.243869	3,077
2006	1,743,000	-	1,743,000	1,294,000	1,294,000	0.578540	7,299	1,294,000	0.287407	3,626	1,294,000	0.243869	3,077
2007	1,743,000	4,450,000	6,193,000	5,744,000	5,744,000	0.578540	32,401	5,744,000	0.287407	16,096	5,744,000	0.243869	13,658
2008	6,193,000	8,900,000	15,093,000	14,644,000	14,644,000	0.578540	82,603	14,644,000	0.287407	41,036	14,644,000	0.243869	34,819
2009	15,093,000	9,167,000	24,260,000	23,811,000	23,811,000	0.578540	134,312	23,811,000	0.287407	66,724	23,811,000	0.243869	56,616
2010	24,260,000	-	24,260,000	23,811,000	23,811,000	0.578540	134,312	23,811,000	0.287407	66,724	23,811,000	0.243869	56,616
2011	24,260,000	-	24,260,000	23,811,000	23,811,000	0.578540	134,312	23,811,000	0.287407	66,724	23,811,000	0.243869	56,616
2012	24,260,000	-	24,260,000	23,811,000	23,811,000	0.578540	134,312	23,811,000	0.287407	66,724	23,811,000	0.243869	56,616
2013	24,260,000	-	24,260,000	23,811,000	23,811,000	0.578540	134,312	23,811,000	0.287407	66,724	23,811,000	0.243869	56,616
2014	24,260,000	-	24,260,000	23,811,000	23,811,000	0.578540	134,312	23,811,000	0.287407	66,724	23,811,000	0.243869	56,616
2015	24,260,000	-	24,260,000	23,811,000	23,811,000	0.578540	134,312	23,811,000	0.287407	66,724	23,811,000	0.243869	56,616
2016	24,260,000	-	24,260,000	23,811,000	23,811,000	0.578540	134,312	23,811,000	0.287407	66,724	23,811,000	0.243869	56,616
	\$ 23,811,000				\$ 1,229,813			\$ 613,020			\$ 518,996		
	Existing Annual Value Growth Factors				Participation Level			Participation Level			Participation Level		
	Years 1999-2003				Tax Rate Growth Factor			Tax Rate Growth Factor			Tax Rate Growth Factor		
	Thereafter				Tax Rate Collection Factor			Tax Rate Collection Factor			Tax Rate Collection Factor		
	Combined Compound Growth Rate				Tax Rate Collection Factor			Tax Rate Collection Factor			Tax Rate Collection Factor		

\* ISDs elected to participate at a tax rate of 1.50 based on the Title 2 of the Texas Education Code, Chapter 45, Section 45.003(d).

Note:

1. This project has no executed Development Agreements therefore there has been no tax increments collected.
2. Revenue projections are subject to fluctuate annually with future tax rates.

## Highland Heights - TIF Reinvestment Zone Projected Tax Increment Revenue

Tax Year	San Antonio ISD *			East Central ISD*			Alamo CCD			Combined TIF Collections	Fiscal Year Ending
	Captured Taxable Value	Tax Rate Contribution	Tax Increments	Captured Taxable Value	Tax Rate Contribution	Tax Increments	Captured Taxable Value	Tax Rate Contribution	Tax Increments		
1998	-	1.50000	-	-	1.50000	-	-	0.105961	-	-	1999
1999	127,700	1.50000	1,868	20,230	1.50000	303	147,930	0.106900	154	4,025	2000
2000	424,648	1.50000	6,210	273,888	1.50000	4,108	698,700	0.106900	728	17,980	2001
2001	501,550	1.50000	7,335	448,050	1.50000	6,721	979,600	0.104600	999	27,205	2002
2002	487,800	1.50000	7,134	433,300	1.50000	6,500	981,100	0.107100	1,024	25,149	2003
2003	487,800	1.50000	7,134	423,650	1.50000	6,355	1,001,450	0.107050	1,045	26,399	2004
2004	487,800	1.50000	7,134	408,650	1.50000	6,130	1,001,450	0.107050	1,045	23,165	2005
2005	774,558	1.50000	11,328	414,442	1.50000	6,061	1,294,000	0.107050	1,351	32,742	2006
2006	774,558	1.50000	11,328	414,442	1.50000	6,061	1,294,000	0.107050	1,351	32,742	2007
2007	4,615,798	1.50000	67,506	1,023,202	1.50000	14,964	5,744,000	0.107050	5,995	150,620	2008
2008	12,298,278	1.50000	179,862	2,240,722	1.50000	32,771	14,644,000	0.107050	15,284	386,375	2009
2009	20,211,232	1.50000	295,589	3,494,768	1.50000	51,111	23,811,000	0.107050	24,852	629,204	2010
2010	20,211,232	1.50000	295,589	3,494,768	1.50000	51,111	23,811,000	0.107050	24,852	629,204	2011
2011	20,211,232	1.50000	295,589	3,494,768	1.50000	51,111	23,811,000	0.107050	24,852	629,204	2012
2012	20,211,232	1.50000	295,589	3,494,768	1.50000	51,111	23,811,000	0.107050	24,852	629,204	2013
2013	20,211,232	1.50000	295,589	3,494,768	1.50000	51,111	23,811,000	0.107050	24,852	629,204	2014
2014	20,211,232	1.50000	295,589	3,494,768	1.50000	51,111	23,811,000	0.107050	24,852	629,204	2015
2015	20,211,232	1.50000	295,589	3,494,768	1.50000	51,111	23,811,000	0.107050	24,852	629,204	2016
2016	20,211,232	1.50000	295,589	3,494,768	1.50000	51,111	23,811,000	0.107050	24,852	629,204	2017
		\$	2,671,551		\$	498,862		\$	227,792	\$	5,760,034
	Participation Level		100%	Participation Level		100%	Participation Level		100%		
	Tax Rate Growth Factor		0.00%	Tax Rate Growth Factor		0.00%	Tax Rate Growth Factor		0.00%		
	Tax Rate Collection Factor		97.50%	Tax Rate Collection Factor		97.50%	Tax Rate Collection Factor		97.50%		



## Highland Heights- TIF Reinvestment Zone

### Reimbursement for Public Improvements

	Fiscal Year Ending	TIF Revenue	Cumulative TIF Revenues	Debt Service Pub. Imp. Infrastructure	Admin. Exp.	Interest on Deficit	TIF Fund Balance
	1999						
1-Sep-00	2000	4,025		-	65,000		(60,975)
1-Sep-01	2001	17,980	22,005	-	15,000	(2,768.27)	(60,763)
1-Sep-02	2002	27,205	49,210	-	15,000	(2,758.65)	(51,317)
1-Sep-03	2003	25,149	74,359	-	15,000	(2,329.79)	(43,498)
1-Sep-04	2004	26,399	100,758	-	15,000	(1,974.80)	(34,074)
1-Sep-05	2005	23,165	123,923	-	15,000	(1,546.94)	(27,455)
1-Sep-06	2006	32,742	156,665	17,275	15,000	(1,246.48)	(28,235)
1-Sep-07	2007	32,742	189,407	69,349	15,000	(1,281.87)	(81,124)
1-Sep-08	2008	150,620	340,027	180,584	15,000	(3,683.02)	(129,771)
1-Sep-09	2009	386,375	726,402	366,113	15,000	(5,891.59)	(130,400)
1-Sep-10	2010	629,204	1,355,606	563,260	15,000	(5,920.18)	(85,377)
1-Sep-11	2011	629,204	1,984,810	558,054	15,000	(3,876.10)	(33,103)
1-Sep-12	2012	629,204	2,614,014	551,259	15,000	(1,502.86)	28,339
1-Sep-13	2013	629,204	3,243,218	544,918	15,000	-	97,625
1-Sep-14	2014	629,204	3,872,422	538,988	15,000	-	172,841
1-Sep-15	2015	629,204	4,501,626	531,421	15,000	-	255,624
1-Sep-16	2016	629,204	5,130,830	524,265	15,000	-	345,563
1-Sep-17	2017	629,204	5,760,034	517,473	15,000	-	442,294
		\$ 5,760,034		\$ 4,962,959	\$ 320,000	\$ (34,781)	

## Highland Heights - TIF Reinvestment Zone Participation

Entity	Tax Rate	Level of Participation	Tax Rate Based on Participation	% of Project	TIF Revenues**	TIF Expenses***
San Antonio	0.5785400	100%	0.5785400	21.35%	\$ 1,229,813	\$ 1,135,380
Bexar County	0.2874070	100%	0.2874070	10.64%	\$ 613,020	\$ 565,948
University Health System	0.2438690	100%	0.2438690	9.01%	\$ 518,996	\$ 479,144
San Antion ISD			1.5000000	46.38%	\$ 2,671,551	\$ 2,466,411
East Central ISD*			1.5000000	8.66%	\$ 498,862	\$ 460,556
Alamo CCD	0.1070500	100%	0.1070500	3.95%	\$ 227,792	\$ 210,301
Total	1.2168660		4.2168660	100.00%	\$ 5,760,034	\$ 5,317,740

\* 100% of School Districts Ability to Participate

\*\* TIF Revenues are the projected revenue amount collected by each taxing entity through the term of the zone.

\*\*\* TIF Expenses are allocated by the share of the TIRZ project cost projected for each taxing entity based on participation levels.

## Highland Heights - TIF Reinvestment Zone

### Projected New Value of Tax Increment

Year	Phase I		Phase II		Phase III		Total
1997							\$ -
1998							\$ -
1999	\$	147,930	\$	-	\$	-	\$ 147,930
2000	\$	550,770	\$	-	\$	-	\$ 550,770
2001	\$	280,900	\$	-	\$	-	\$ 280,900
2002	\$	1,500	\$	-	\$	-	\$ 1,500
2003	\$	27,850	\$	-	\$	-	\$ 27,850
2004	\$	-	\$	-	\$	-	\$ -
2005	\$	285,050	\$	-	\$	-	\$ 285,050
2006	\$	-	\$	-	\$	-	\$ -
2007	\$	4,450,000	\$	-	\$	-	\$ 4,450,000
2008	\$	-	\$	8,900,000	\$	-	\$ 8,900,000
2009	\$	-	\$	-	\$	9,167,000	\$ 9,167,000
2010	\$	-	\$	-	\$	-	\$ -
2011	\$	-	\$	-	\$	-	\$ -
2012	\$	-	\$	-	\$	-	\$ -
	\$	5,744,000	\$	8,900,000	\$	9,167,000	\$ 23,811,000

## Highland Heights - TIF Reinvestment Zone

### Projected Uses of Tax Increment Construction Completed Cost

Year	2006 Phase I	2007 Phase II	2008 Phase III	Total
2005				\$ -
2006	\$ 761,447			\$ 761,447
2007		\$ 1,532,688		\$ 1,532,688
2008			\$ 1,516,867	\$ 1,516,867
2009				\$ -
2010				\$ -
2011				\$ -
2012				\$ -
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 761,447	\$ 1,532,688	\$ 1,516,867	\$ 3,811,002

## Highland Heights - TIF Reinvestment Zone

### Projected Tax Increment Revenue

#### Principal and Interest Requirements

Date	Principal	Interest Rate	Interest	Semi-annual Debt Service	Annual Debt Service
09/01/99		4.54%			
03/01/00	-		-	-	
09/01/00	-	4.54%	-	-	-
03/01/01	-		-	-	
09/01/01	-	4.54%	-	-	-
03/01/02	-		-	-	
09/01/02	-	4.54%	-	-	-
03/01/03	-		-	-	
09/01/03	-	4.54%	-	-	-
03/01/04	-		-	-	
09/01/04	-	4.54%	-	-	-
03/01/05	-		-	-	
09/01/05	-	4.54%	-	-	-
03/01/06	-		-	-	
09/01/06	-	4.54%	17,275	17,275	17,275
03/01/07	-		17,275	17,275	
09/01/07	-	4.54%	52,074	52,074	69,349
03/01/08	-		52,074	52,074	
09/01/08	42,000	4.54%	86,510	128,510	180,584
03/01/09	-		85,556	85,556	
09/01/09	195,000	4.54%	85,556	280,556	366,113
03/01/10	-		81,130	81,130	
09/01/10	401,000	4.54%	81,130	482,130	563,260
03/01/11	-		72,027	72,027	
09/01/11	414,000	4.54%	72,027	486,027	558,054
03/01/12	-		62,629	62,629	
09/01/12	426,000	4.54%	62,629	488,629	551,259
03/01/13	-		52,959	52,959	
09/01/13	439,000	4.54%	52,959	491,959	544,918
03/01/14	-		42,994	42,994	
09/01/14	453,000	4.54%	42,994	495,994	538,988
03/01/15	-		32,711	32,711	
09/01/15	466,000	4.54%	32,711	498,711	531,421
03/01/16	-		22,133	22,133	
09/01/16	480,000	4.54%	22,133	502,133	524,265
03/01/17	-		11,237	11,237	
09/01/17	495,000	4.54%	11,237	506,237	517,473
<u>\$ 3,811,000</u>			<u>\$ 1,151,957</u>	<u>\$ 4,962,957</u>	<u>\$ 4,962,957</u>